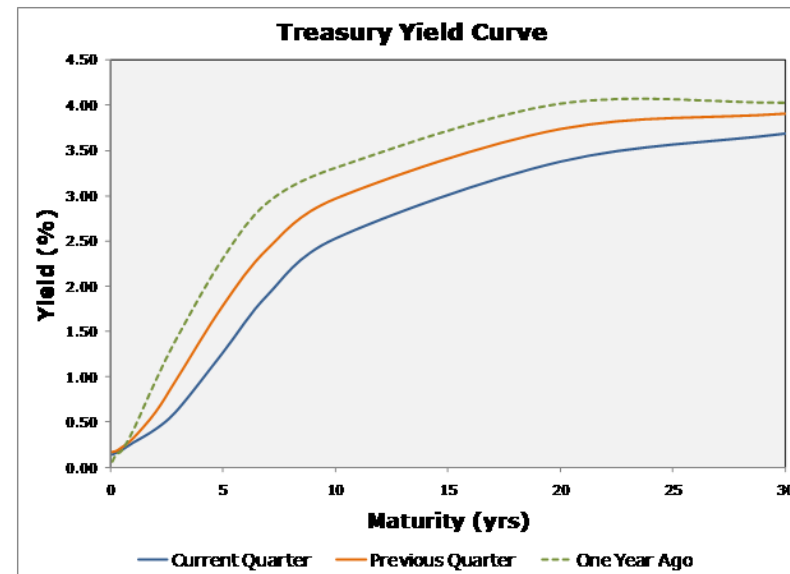
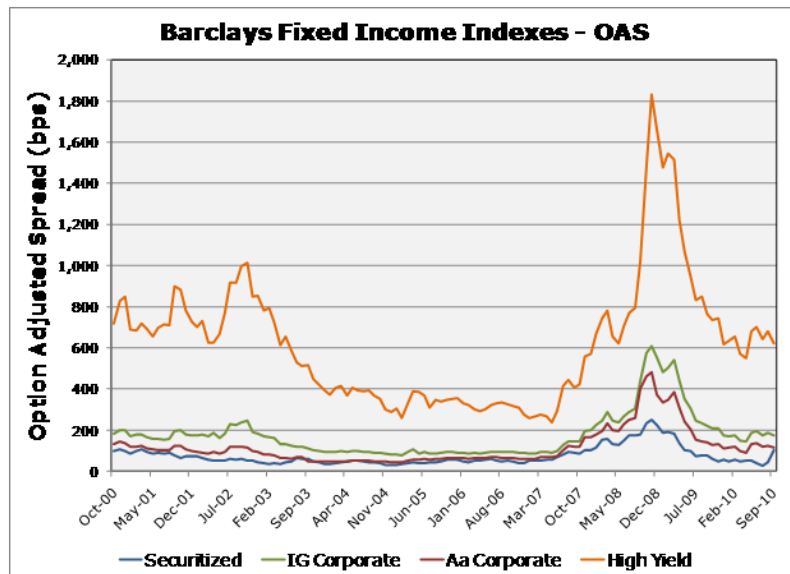


U.S. Capital Markets: Fixed Income

September 30, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays Aggregate Bond Index	2.5	7.9	8.2	7.4	6.2	6.4
Barclays Treasury Index	2.7	8.7	7.3	7.4	6.2	6.2
Barclays Gov't-Related Index	2.6	6.9	6.7	7.1	6.1	6.5
Barclays Securitized Index	1.1	6.2	7.1	7.2	6.2	6.2
Barclays Corporate IG Index	4.7	10.8	12.3	8.4	6.5	7.1
Barclays LT Gov't/Credit Index	5.9	16.7	13.6	10.2	7.3	8.4
Barclays Long-Term Treasury Index	5.2	19.1	12.7	10.8	7.8	8.2
Barclays U.S. TIPS Index	2.5	7.0	8.9	6.9	5.5	7.5
Barclays High Yield Index	6.7	11.5	18.4	8.7	8.4	8.0
Treasury Bills	0.0	0.1	0.1	1.1	2.6	2.5

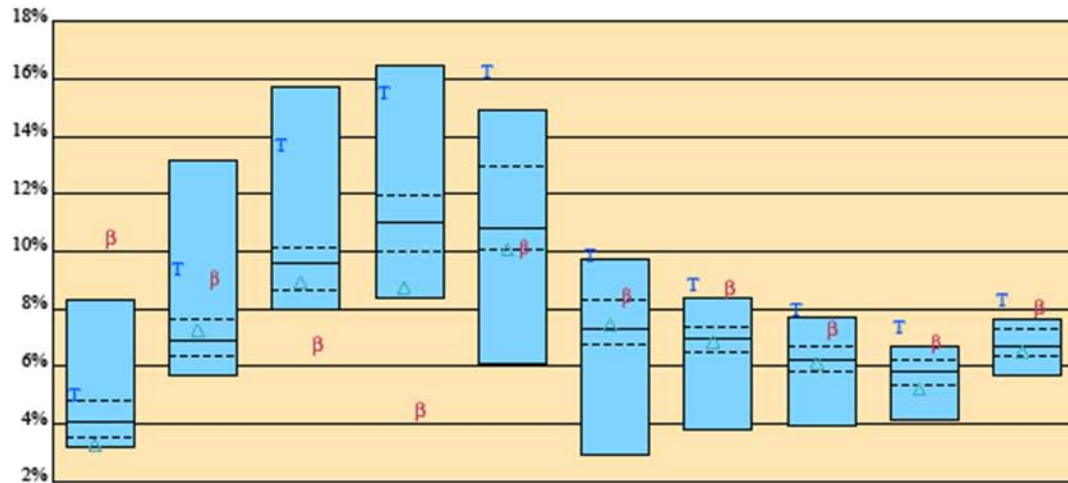


Total Fixed Income – Performance

	Market Value	Qtr	1 Year	3 Year	5 Year	10 Year	VaR ³⁶	5-year Sharpe Ratio ³⁷	5-year Info Ratio ³⁸
Total Fixed Income	48.3	5.0%	15.5%	9.9%	8.0%	8.3%	\$2.9 bil	0.8	0.2
<i>Fixed Income Policy Index</i> ³³		4.6%	11.2%	9.3%	7.2%	7.7%		0.7	0.0
<i>Value Added</i>		0.4%	4.3%	0.6%	0.8%	0.6%			
U.S. Fixed Income	44.9	4.6%	16.4%	9.9%	8.0%	8.2%		0.8	0.2
<i>Policy Index</i> ³⁴		4.1%	11.7%	9.3%	7.1%	7.6%		0.7	0.0
<i>Value Added</i>		0.5%	4.6%	0.5%	0.8%	0.5%			
Non-U.S. Fixed Income	3.4	11.0%	8.8%	9.9%	8.0%	8.5%		0.5	0.3
<i>Policy Index</i> ³⁵		10.4%	5.2%	8.3%	7.3%	8.0%		0.5	0.0
<i>Value Added</i>		0.7%	3.7%	1.5%	0.7%	0.5%			

Total Fixed Income – Universe Comparison

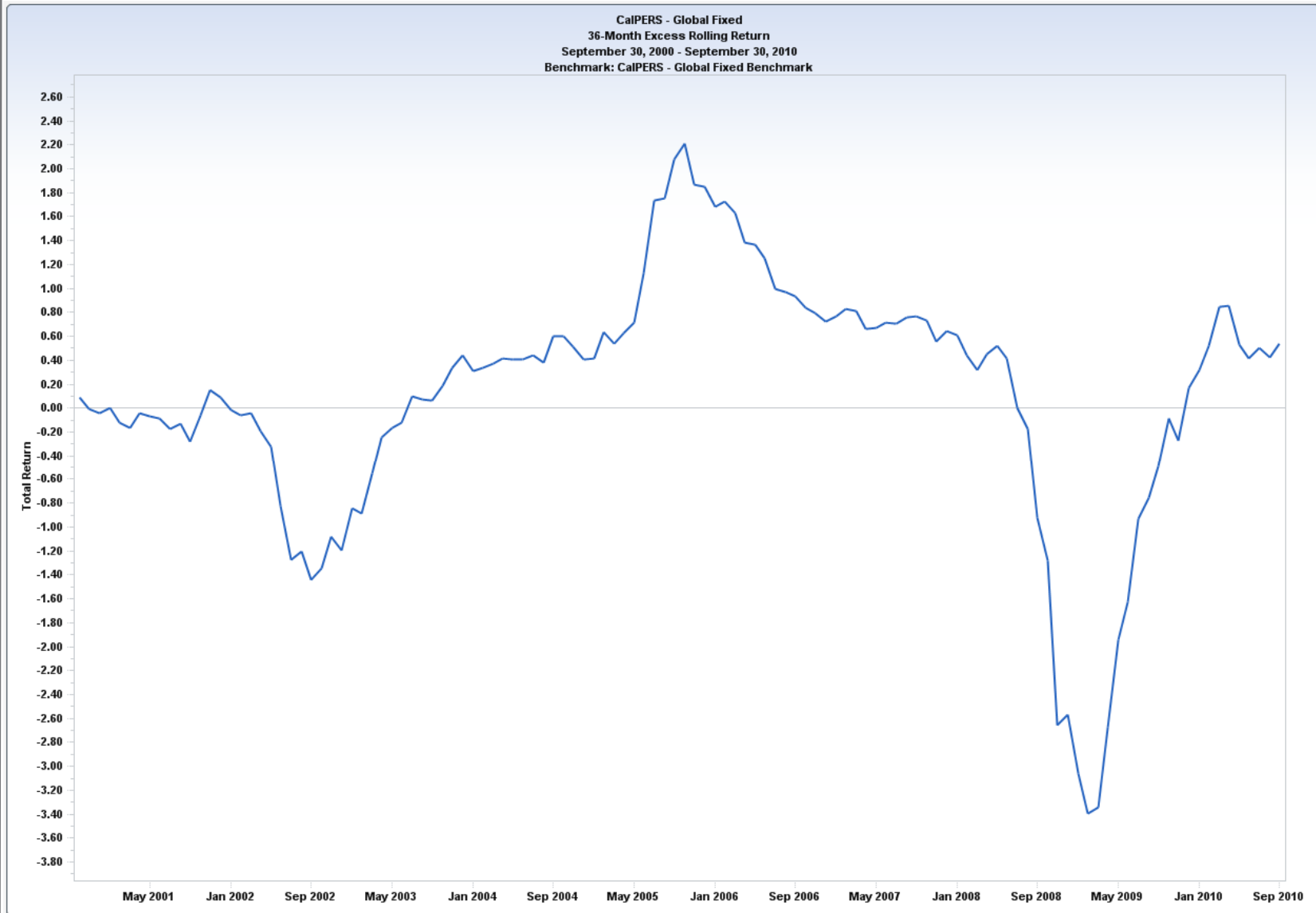
California Public Employees Retirement
Fixed Income Returns of Public Funds > \$10 Billion
Rates of Return for Periods Ending September 30, 2010



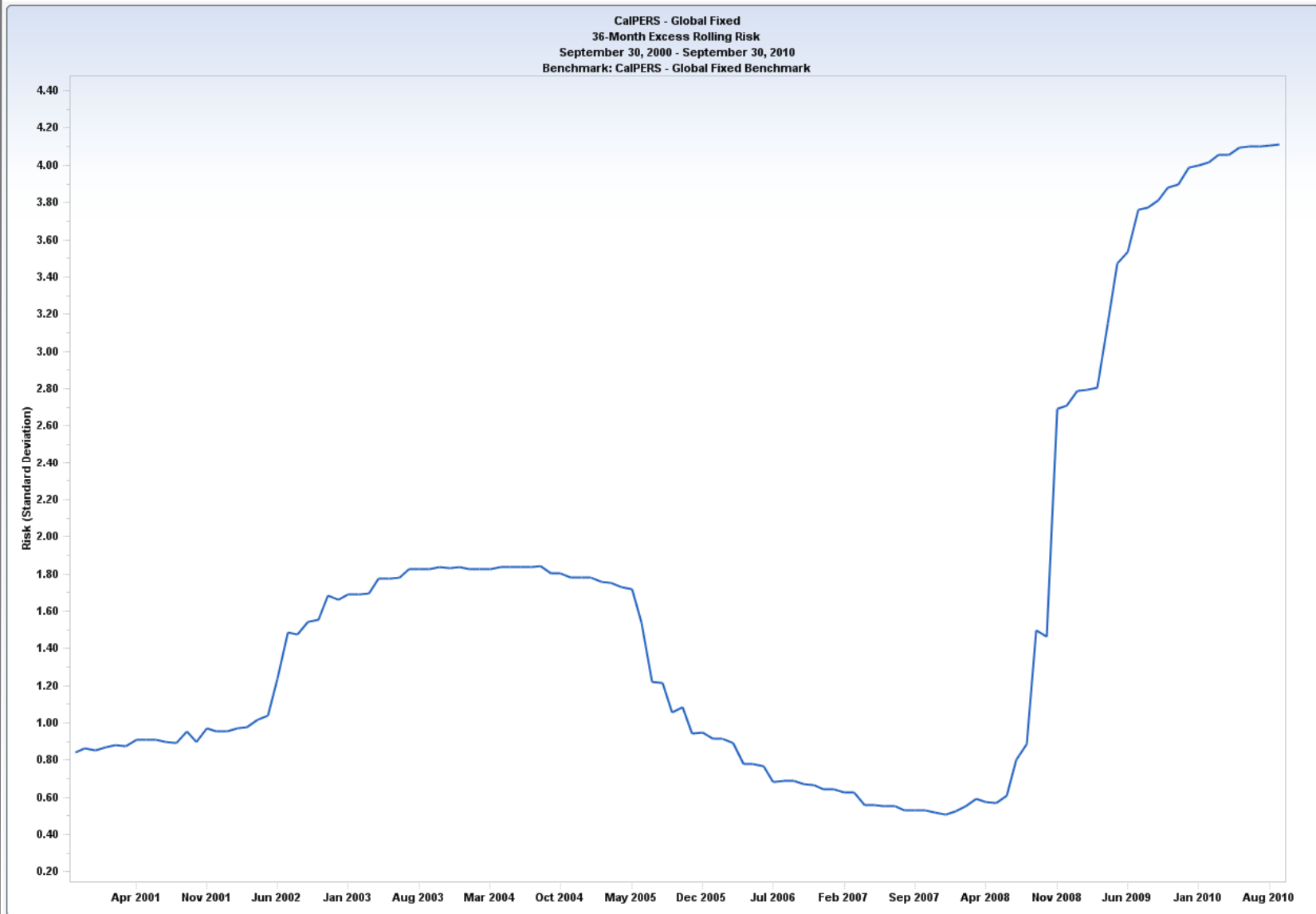
	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	8.31	13.13	15.75	16.49	14.89	9.74	8.35	7.72	6.72	7.65
25th Percentile	4.80	7.61	10.11	11.94	12.94	8.33	7.40	6.67	6.24	7.30
Median	4.06	6.88	9.60	11.02	10.77	7.32	6.94	6.24	5.83	6.67
75th Percentile	3.56	6.38	8.68	10.01	10.09	6.74	6.46	5.83	5.36	6.35
95th Percentile	3.18	5.69	7.94	8.39	6.09	2.92	3.80	3.94	4.15	5.70
T Total Plan - Composites	4.99 (21)	9.42 (5)	13.69 (5)	15.51 (5)	16.26 (1)	9.88 (1)	8.88 (1)	7.98 (1)	7.36 (1)	8.28 (1)
Δ Barclays Govt/Credit	3.28 (88)	7.29 (31)	8.95 (67)	8.73 (85)	10.09 (75)	7.47 (42)	6.87 (50)	6.15 (54)	5.23 (81)	6.52 (68)
β Citigroup Non-US Govt Bond	10.45 (1)	9.05 (9)	6.76 (95)	4.47 (99)	10.11 (70)	8.44 (13)	8.70 (1)	7.33 (5)	6.84 (1)	8.01 (1)

Returns for periods greater than one year are annualized.

Total Fixed Income – Rolling Excess Returns

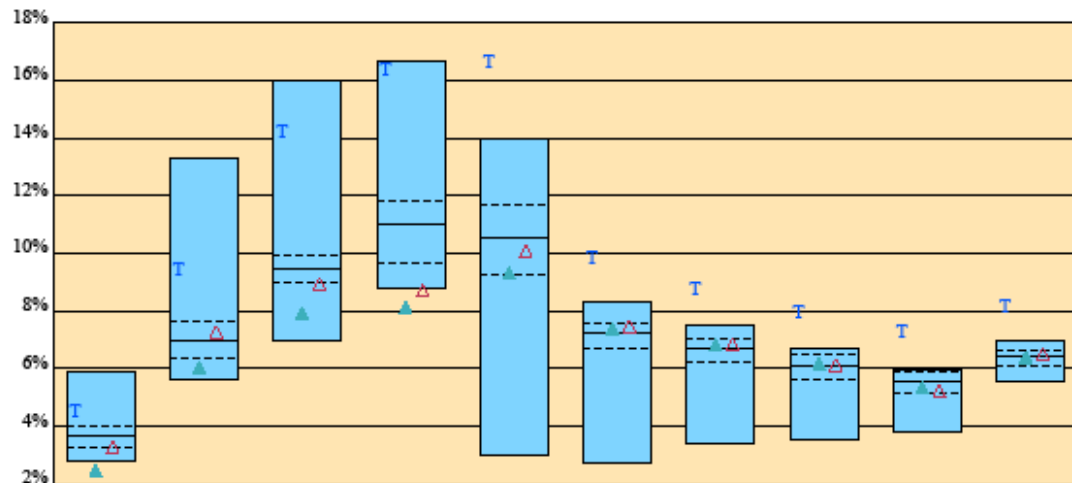


Total Fixed Income – Rolling Tracking Error



US Fixed Income – Universe Comparison

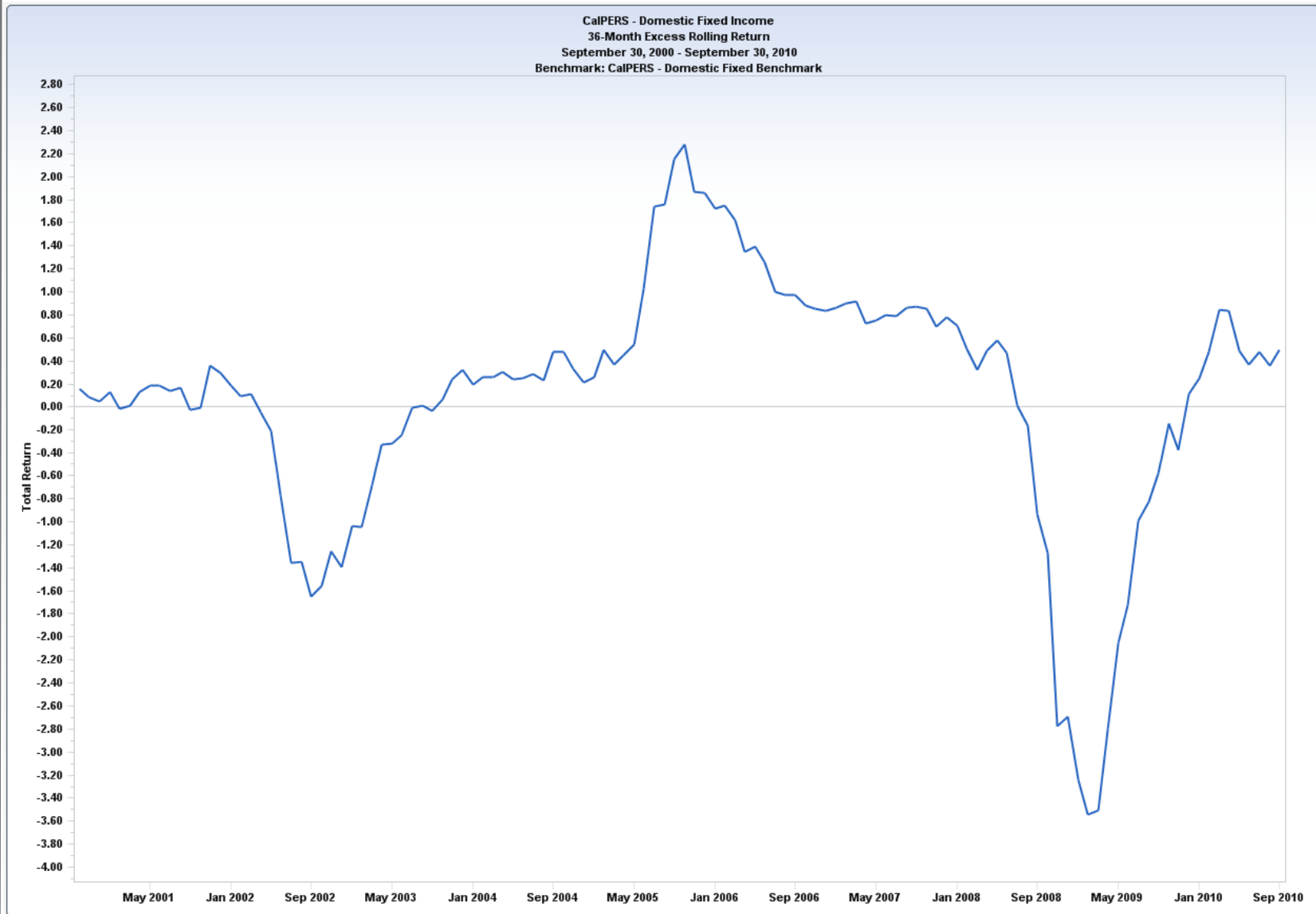
California Public Employees Retirement
US Fixed Income Returns of Public Funds > \$10 Billion
Rates of Return for Periods Ending September 30, 2010



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	5.91	13.31	15.98	16.69	13.96	8.33	7.49	6.67	5.93	6.98
25th Percentile	3.97	7.66	9.92	11.81	11.68	7.60	7.04	6.46	5.88	6.65
Median	3.63	6.93	9.45	11.02	10.51	7.21	6.70	6.07	5.55	6.45
75th Percentile	3.24	6.33	9.00	9.68	9.22	6.66	6.25	5.64	5.15	6.06
95th Percentile	2.82	5.64	6.96	8.79	2.97	2.70	3.38	3.53	3.80	5.55
T Total Plan - Composites	4.56 (12)	9.43 (5)	14.23 (5)	16.37 (5)	16.64 (1)	9.87 (1)	8.77 (1)	7.97 (1)	7.30 (1)	8.19 (1)
▲ Barclays Aggregate	2.48 (100)	6.05 (79)	7.94 (87)	8.16 (99)	9.35 (70)	7.42 (33)	6.84 (30)	6.20 (40)	5.35 (58)	6.41 (50)
△ Barclays Govt/Credit	3.28 (71)	7.29 (32)	8.95 (75)	8.73 (95)	10.09 (66)	7.47 (29)	6.87 (30)	6.15 (45)	5.23 (66)	6.52 (33)

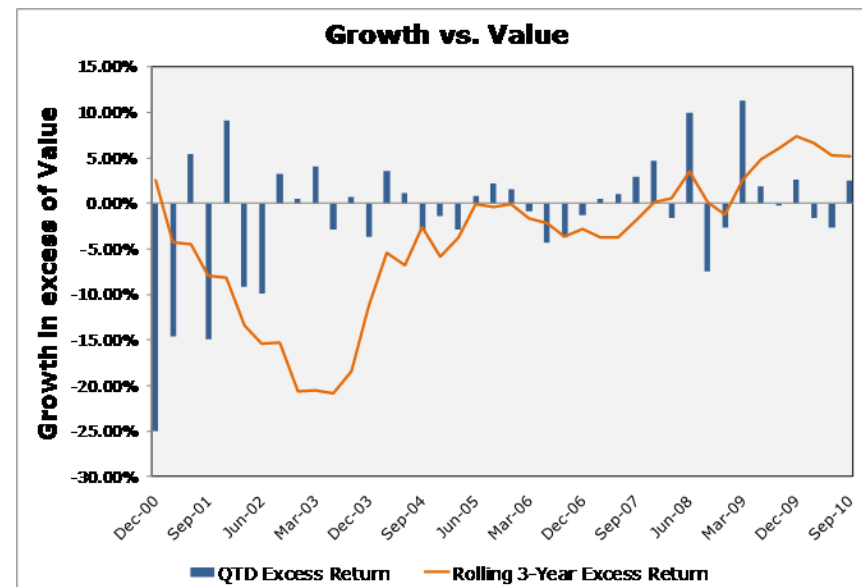
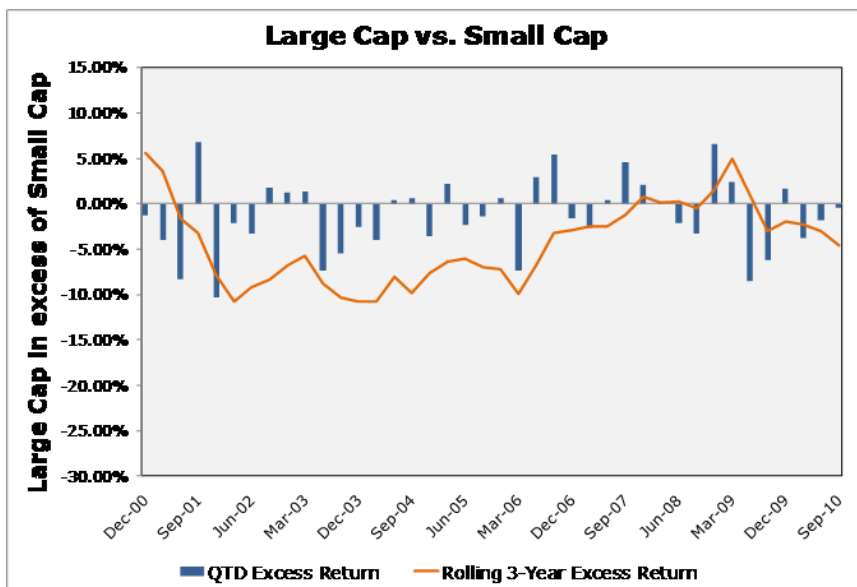
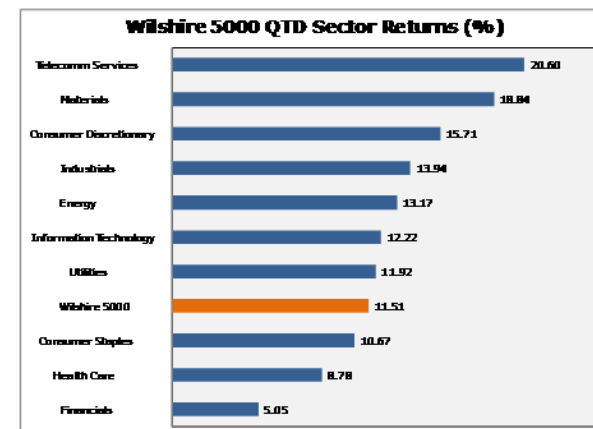
Returns for periods greater than one year are annualized.

US Fixed Income – Rolling Excess Returns



U.S. Capital Markets: Equity

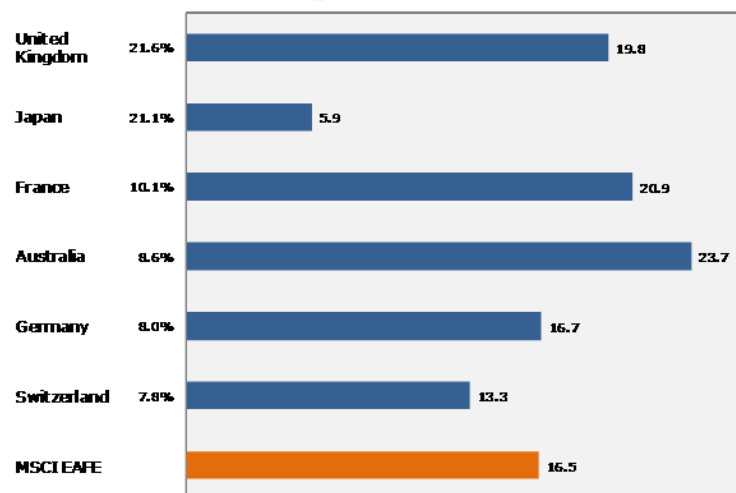
September 30, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Wilshire 5000	11.5	5.0	11.1	-6.5	1.1	0.3
Wilshire U.S. Large Cap	11.5	4.3	10.6	-6.9	0.9	-0.3
Wilshire U.S. Small Cap	12.0	10.9	15.6	-2.4	3.5	5.4
Wilshire U.S. Large Growth	12.9	3.1	10.9	-4.3	1.9	-3.1
Wilshire U.S. Large Value	10.1	5.6	10.3	-9.5	-0.3	2.5
Wilshire U.S. Small Growth	13.3	12.4	16.7	-2.3	4.0	1.9
Wilshire U.S. Small Value	10.7	9.3	14.5	-2.4	2.9	8.7
Wilshire REIT Index	13.4	19.2	30.1	-6.9	1.4	10.1
Dow Jones UBS Commodity Index	11.6	0.9	10.0	-6.8	-2.4	5.2



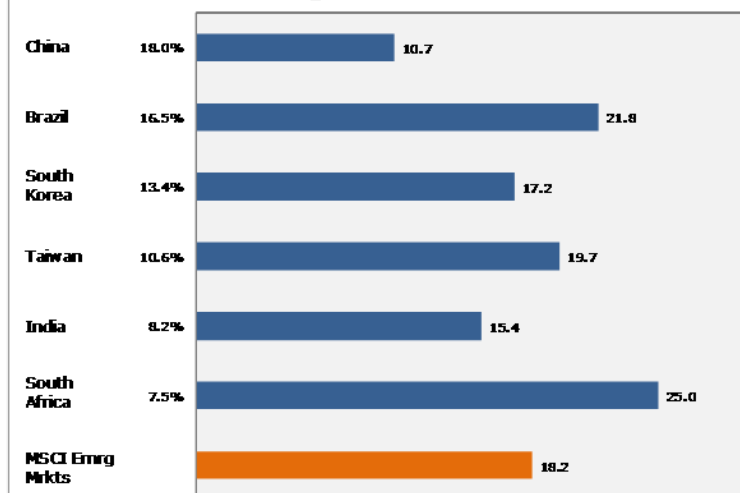
Non-U.S. Capital Markets

September 30, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
MSCI ACWI ex-US (\$g)	16.7	4.1	8.0	-7.0	4.7	4.8
MSCI EAFE (\$g)	16.5	1.5	3.7	-9.1	2.4	3.0
MSCI Emerging Markets (\$g)	18.2	11.0	20.5	-1.2	13.1	13.8
MSCI Frontier Markets (\$g)	14.3	15.0	4.0	-12.9	-5.4	n.a.
JPM Non US Global Bond	10.4	8.2	5.9	9.2	7.7	8.2
JPM Non US Global Bond Hedged	2.0	5.6	5.8	6.0	4.9	5.3
JPM EMBI Global	8.3	14.2	15.9	10.2	9.2	10.7
Euro vs. Dollar	11.5	-4.9	-6.6	-1.4	2.4	4.4
Yen vs. Dollar	5.9	11.5	7.2	11.3	6.3	2.7
Pound vs. Dollar	5.3	-2.4	-1.4	-8.2	-2.3	0.6

MSCI EAFE: Largest Countries and Return



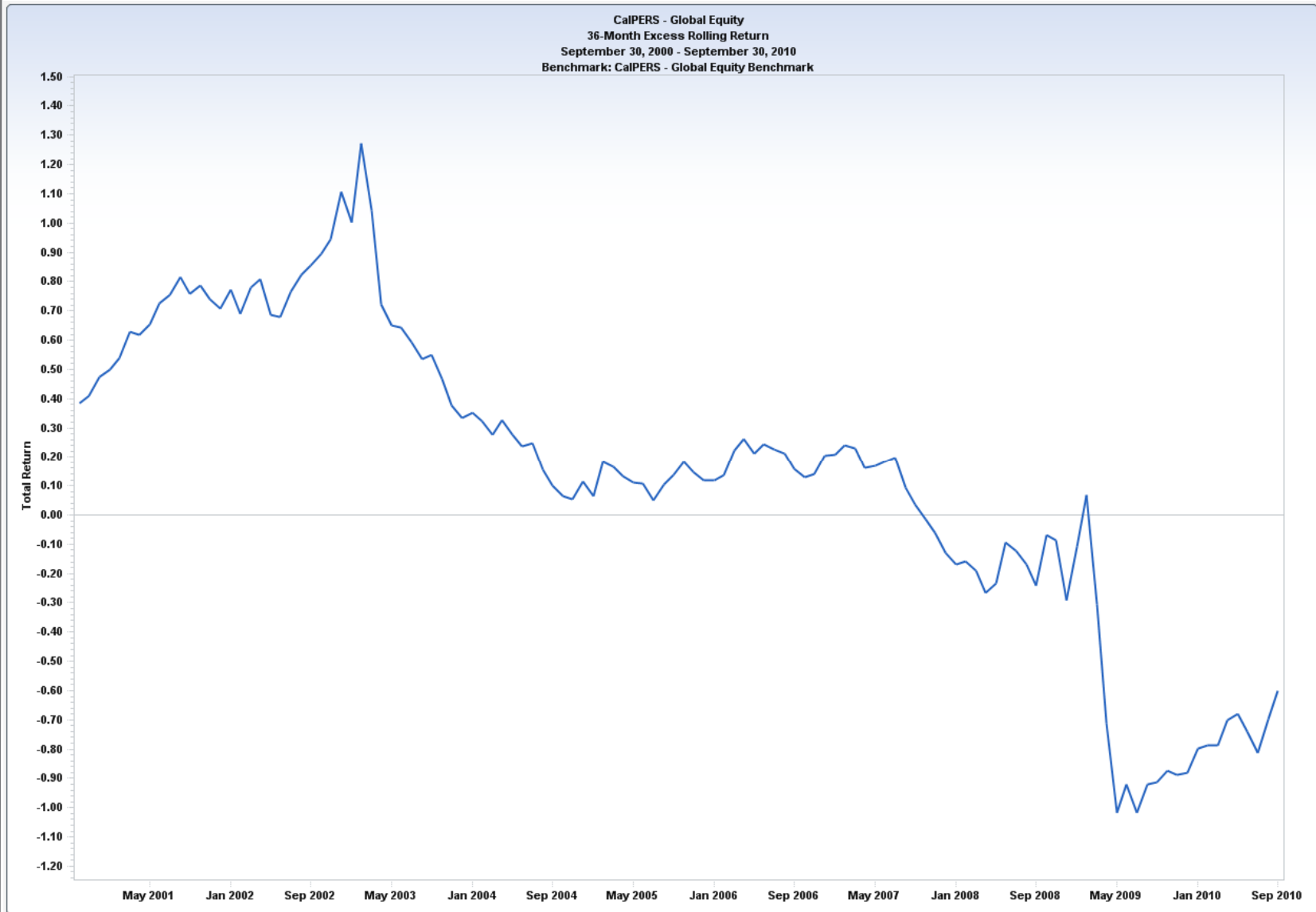
MSCI EM: Largest Countries and Return



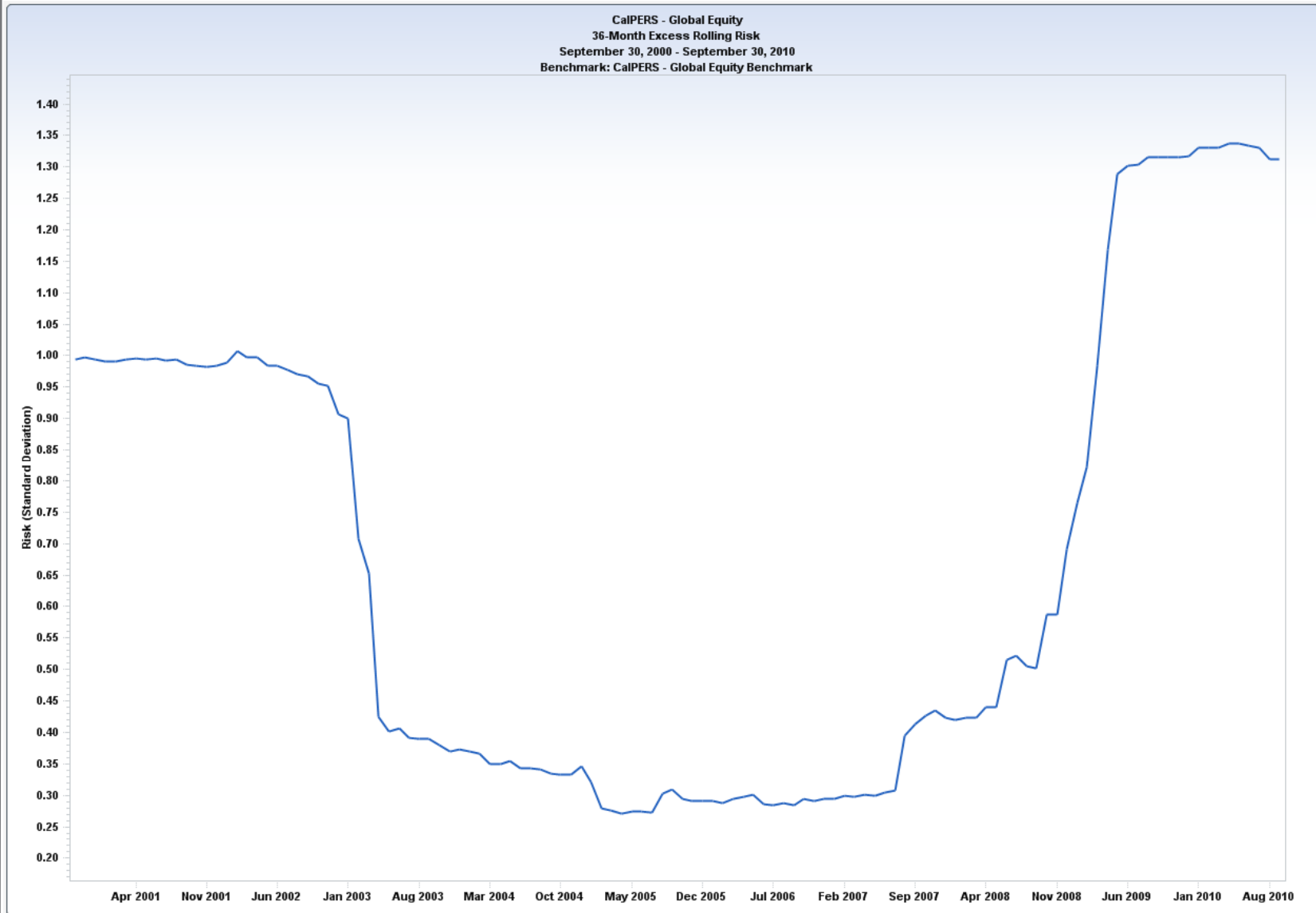
Global Equity – Performance

	Market Value	Qtr	1 Year	3 Year	5 Year	10 Year	VaR ²⁰	5-year Sharpe Ratio ²¹	5-year Info Ratio ²²
TOTAL GLOBAL EQUITY EX-AIM & EX CURRENCY OVERLAY¹	110.7	13.9%	9.9%	-6.6%	2.2%	1.7%	\$19.4 bil	0.0	-0.4
<i>Equity Policy Index¹⁶</i>		14.0%	9.3%	-6.0%	2.7%	1.8%		0.0	0.0
<i>Value Added</i>		-0.1%	0.6%	-0.6%	-0.5%	0.0%			
US Equity Composite	41.7	11.3%	11.3%	-6.6%	1.0%	0.2%		-0.1	-0.1
<i>PERS Custom Index</i>		11.4%	11.0%	-6.5%	1.1%	0.0%		-0.1	0.0
<i>Value Added</i>		-0.1%	0.3%	-0.1%	-0.1%	0.2%			
Total Intl Equity ex-AIM & ex-Currency overlay	56.8	17.3%	9.6%	-6.5%	4.9%	4.7%		0.1	0.7
<i>PERS Custom Index¹⁷</i>		16.7%	6.8%	-7.3%	4.3%	4.3%		0.1	0.0
<i>Value Added</i>		0.6%	2.9%	0.8%	0.6%	0.4%			
Global Equity Equitization	2.3	14.2%	7.0%	-.%	-.%	-.%			
<i>PERS Custom Index</i>		14.0%	9.3%	-.%	-.%	-.%			
<i>Value Added</i>		0.2%	-2.4%	-.%	-.%	-.%			
RM ARS Program	5.4	2.6%	6.3%	-1.0%	3.7%	-.%		0.2	-0.7
<i>Policy Index¹⁸</i>		1.5%	5.9%	7.7%	8.6%	-.%		6.4	0.0
<i>Value Added</i>		1.1%	0.4%	-8.7%	-4.9%	-.%			
Corporate Governance	4.5	10.0%	7.7%	-8.8%	-0.6%	6.6%		-0.2	-0.1
<i>Policy Index¹⁹</i>		9.6%	5.9%	-8.9%	0.0%	1.4%		-0.2	0.0
<i>Value Added</i>		0.4%	1.9%	0.1%	-0.5%	5.2%			

Global Equity – Rolling Excess Returns

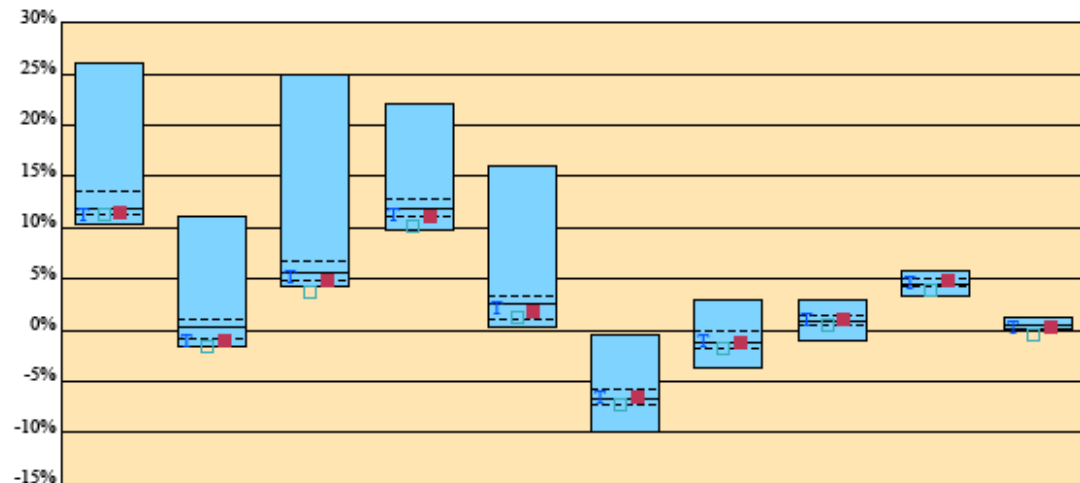


Global Equity – Rolling Tracking Error



US Equity – Universe Comparison

California Public Employees Retirement
US Equity Returns of Public Funds > \$10 Billion
Rates of Return for Periods Ending September 30, 2010

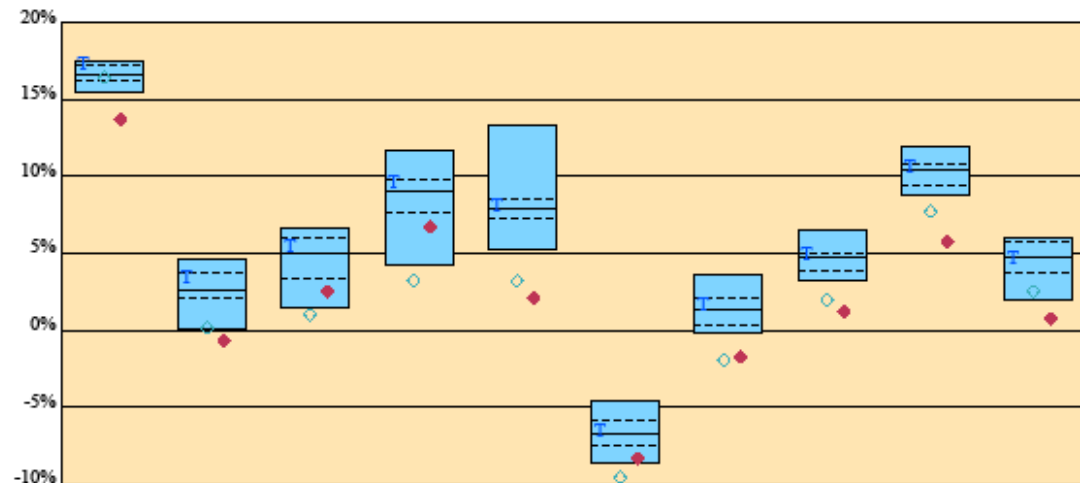


	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	25.99	10.99	24.83	22.12	15.93	-0.40	2.88	3.03	5.82	1.30
25th Percentile	13.59	0.98	6.74	12.79	3.39	-5.83	-0.14	1.38	5.02	1.17
Median	11.88	0.20	5.52	11.83	2.61	-6.65	-1.28	0.77	4.54	0.51
75th Percentile	11.33	-0.82	4.92	11.08	1.04	-7.30	-1.85	0.53	4.25	0.12
95th Percentile	10.36	-1.59	4.26	9.76	0.35	-9.85	-3.62	-1.02	3.22	0.06
T Total Plan - Composites	11.32 (78)	-0.99 (81)	5.23 (60)	11.36 (67)	2.23 (54)	-6.55 (45)	-1.13 (40)	1.02 (31)	4.57 (41)	0.21 (58)
S&P 500	11.30 (78)	-1.43 (92)	3.88 (99)	10.15 (83)	1.26 (66)	-7.16 (70)	-1.75 (70)	0.64 (68)	4.04 (83)	-0.43 (100)
Wilshire 5000	11.50 (67)	-0.98 (81)	5.00 (67)	11.08 (75)	1.95 (62)	-6.46 (40)	-1.08 (35)	1.11 (31)	4.83 (25)	0.29 (58)

Returns for periods greater than one year are annualized.

International Equity – Universe Comparison

California Public Employees Retirement
International Equity Returns of Public Funds > \$10 Billion
Rates of Return for Periods Ending September 30, 2010



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	17.46	4.67	6.68	11.69	13.36	-4.64	3.54	6.53	11.87	5.94
25th Percentile	17.28	3.76	6.04	9.82	8.54	-5.87	2.10	5.04	10.74	5.77
Median	16.66	2.64	5.00	8.98	7.85	-6.75	1.34	4.74	10.36	4.79
75th Percentile	16.25	2.09	3.37	7.58	7.22	-7.53	0.37	3.87	9.37	3.78
95th Percentile	15.46	0.12	1.43	4.21	5.23	-8.62	-0.14	3.25	8.82	2.00
T Total Plan - Composites	17.34 (15)	3.41 (35)	5.47 (35)	9.67 (33)	8.16 (35)	-6.46 (30)	1.67 (30)	4.98 (31)	10.63 (33)	4.72 (50)
◇ MSCI EAFE (Net)	16.48 (57)	0.20 (91)	1.07 (95)	3.27 (95)	3.25 (100)	-9.51 (99)	-1.93 (99)	1.97 (99)	7.81 (99)	2.56 (87)
◆ MSCI World (Net)	13.77 (99)	-0.64 (95)	2.58 (87)	6.76 (83)	2.13 (100)	-8.29 (93)	-1.69 (99)	1.30 (99)	5.81 (99)	0.79 (99)

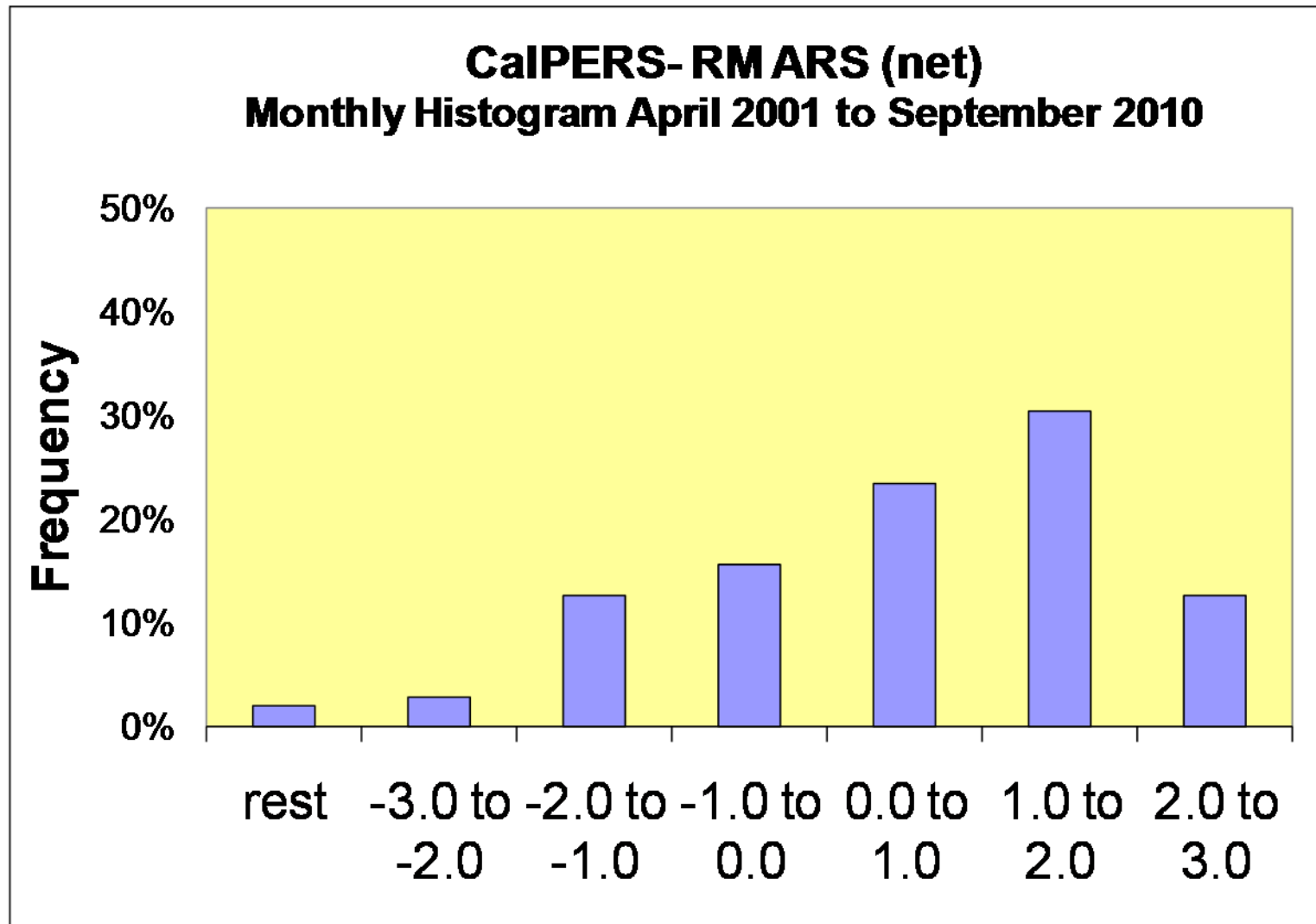
Returns for periods greater than one year are annualized.

RM ARS – Distribution of Performance

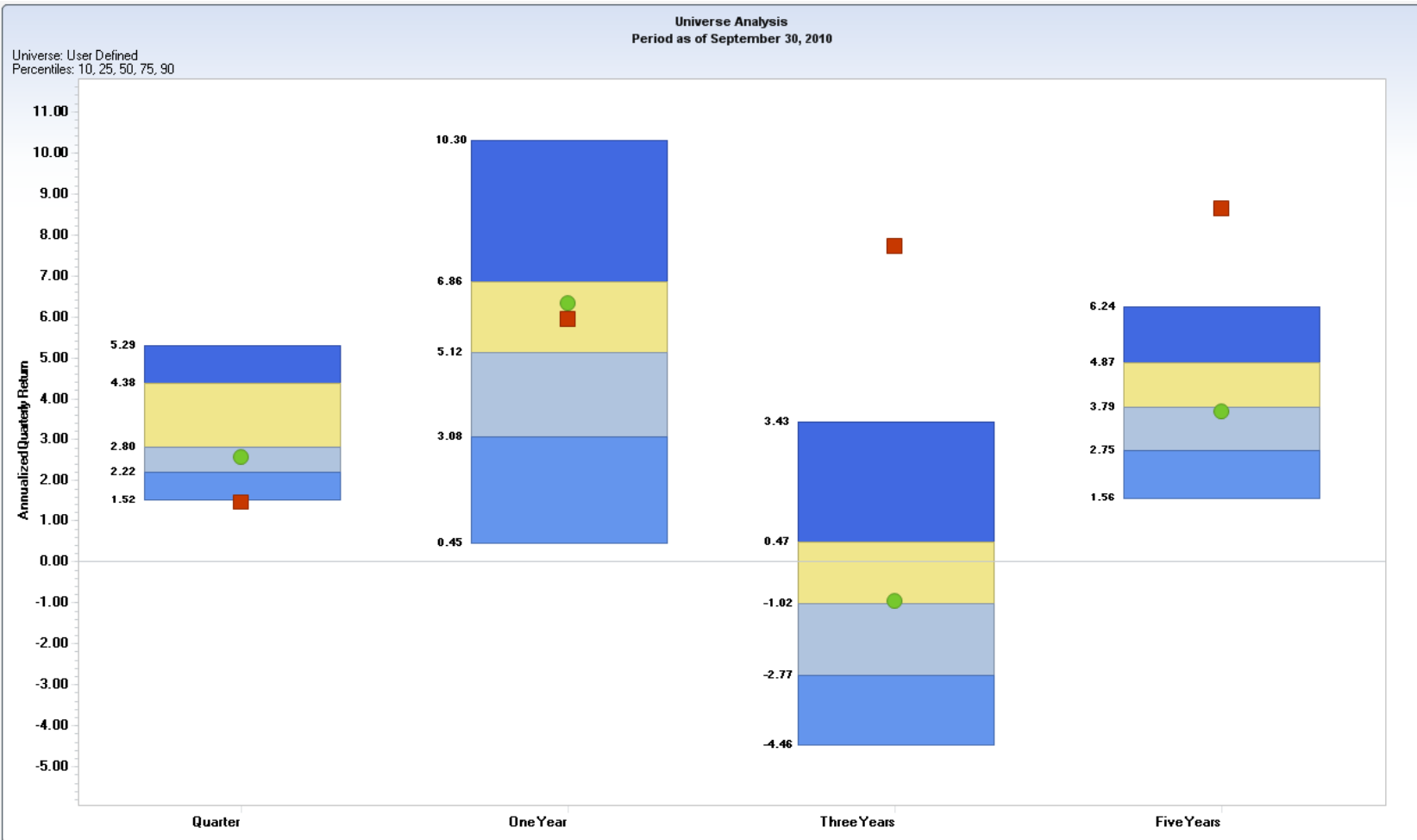
	<u>Market Value</u>	<u>Qtr</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>5-Year</u> <u>Info</u> <u>Ratio</u> ³⁰	<u>5-Year Up</u> <u>Capture</u> <u>Ratio</u>	<u>5-Year</u> <u>Sharpe</u> <u>Ratio</u> ³¹	<u>5-Year</u> <u>Sortino</u> <u>Ratio</u> ³²
Total RM ARS Program	5.4	2.6%	6.3%	-1.0%	3.7%	-0.7	0.4	0.2	0.2
Policy Index ²⁹		1.5%	5.9%	7.7%	8.6%				
Value Added		1.1%	0.4%	-8.7%	-4.9%				
Total Direct Investments	3.9	3.1%	8.2%	-0.5%	4.3%				
Total Fund of Funds	1.5	1.2%	1.2%	-1.4%	-.-%				
HFRI Fund of Funds Index		3.4%	3.6%	-3.0%	2.2%				

<u>Rolling Correlations vs. Index</u>					
Percentage of positive <u>Months</u>	<u>Beta vs.</u> <u>S&P 500</u>	<u>W5000</u>	<u>PERS</u> <u>2500</u>	<u>Domestic</u> <u>Fixed Index</u>	<u>MSCI AW</u> <u>X US</u>
67%	0.3	0.7	0.7	0.2	0.8

RM ARS – Histogram of Monthly Returns

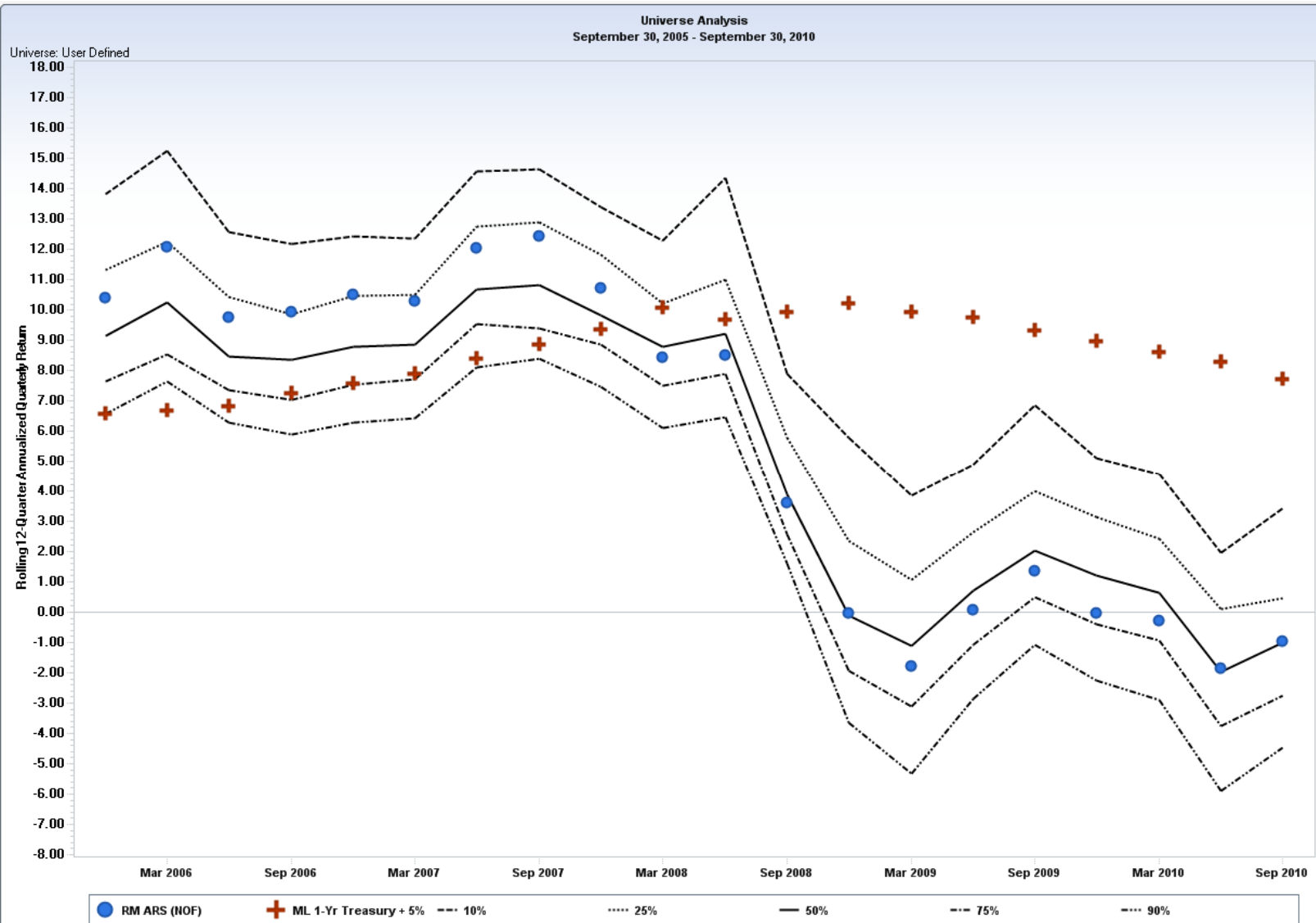


RM ARS – Universe Comparison



	Quarter	One Year	Three Years	Five Years
● RM ARS (NOF)	2.58 (60%)	6.31 (33%)	-0.96 (48%)	3.69 (53%)
■ ML 1-Yr Treasury + 5%	1.47 (91%)	5.94 (38%)	7.72 (3%)	8.62 (2%)
# of Products	204	202	182	155

RMARS – Rolling 3 Year Ranking Versus HFOF Universe



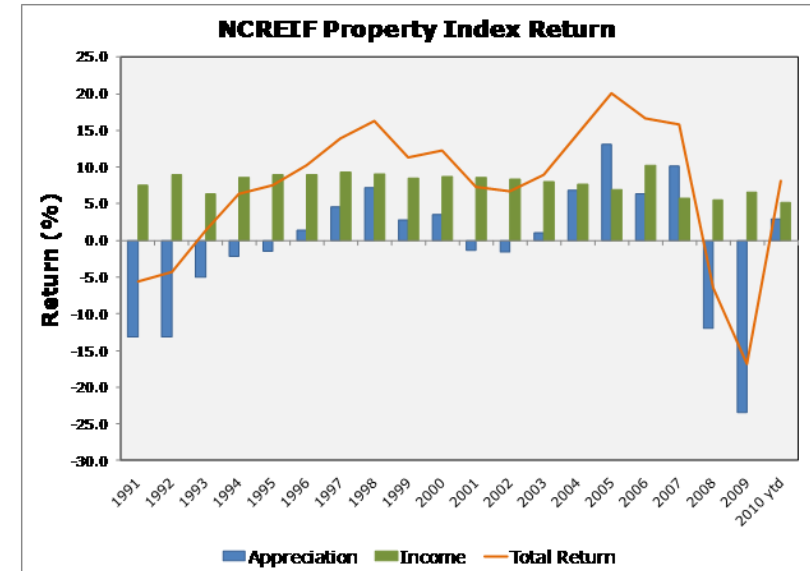
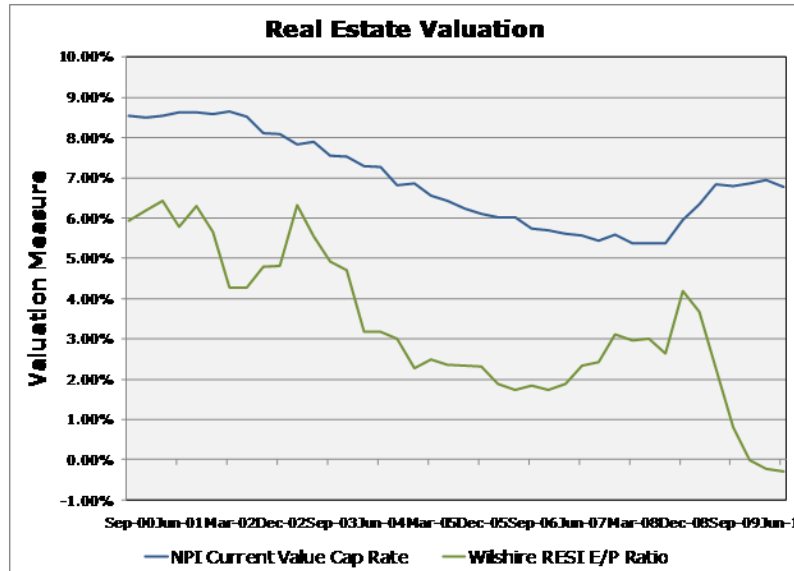
Corporate Governance – Performance

	<u>Market</u> <u>Value</u>	<u>Qtr</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>Date</u>
Total Corporate Governance	4.5	10.0%	7.7%	-8.8%	-0.6%	6.6%	12/98
<i>Policy Index</i>		9.6%	5.9%	-8.9%	0.0%	1.4%	
<i>Value Added</i>		0.4%	1.9%	0.1%	-0.5%	5.2%	
Total Domestic Corporate Governance	2.4	11.5%	12.6%	-5.4%	-0.2%	10.0%	12/98
<i>Policy Index</i>		10.4%	11.3%	-4.5%	2.2%	0.5%	
<i>Value Added</i>		1.1%	1.3%	-0.9%	-2.5%	9.6%	12/98
Total Int'l Corporate Governance	2.1	8.2%	1.4%	-12.2%	-1.1%	3.1%	12/98
<i>Policy Index</i>		8.6%	-1.0%	-13.6%	-2.8%	2.2%	
<i>Value Added</i>		-0.4%	2.4%	1.4%	1.7%	0.9%	12/98

Real Assets

September 30, 2010	Qtr	Ytd	1 Yr	3 Yr	5 Yr	10 Yr
Barclays U.S. TIPS Index	2.5	7.0	8.9	6.9	5.5	7.5
Dow Jones UBS Commodity Index	11.6	0.9	10.0	-6.8	-2.4	5.2
Global Public Real Estate*	17.7	16.2	22.4	-8.5	1.6	10.2
NCREIF Property Index	3.9	8.1	5.8	-4.6	3.7	7.2
NCREIF Timberland Index	-0.1	0.6	-3.9	4.7	9.6	6.9
S&P MLP Index (Oil & Gas)	11.4	24.2	45.1	11.6	11.2	n.a.

* Wilshire Global Real Estate Securities from June, 2000 to December, 2004. Wilshire Global REITs from 2004 to present.



Housing and Timber Prices

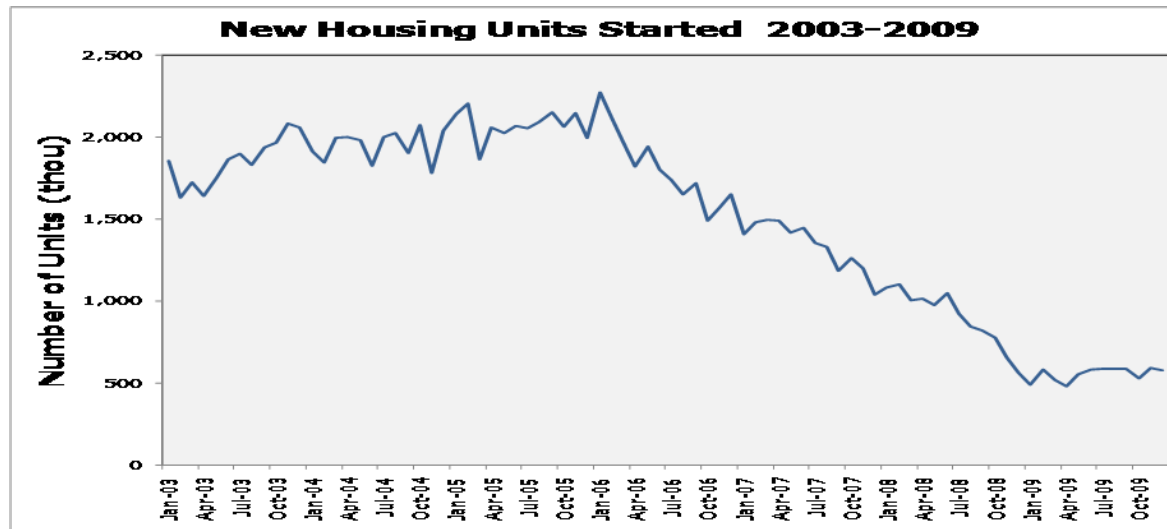
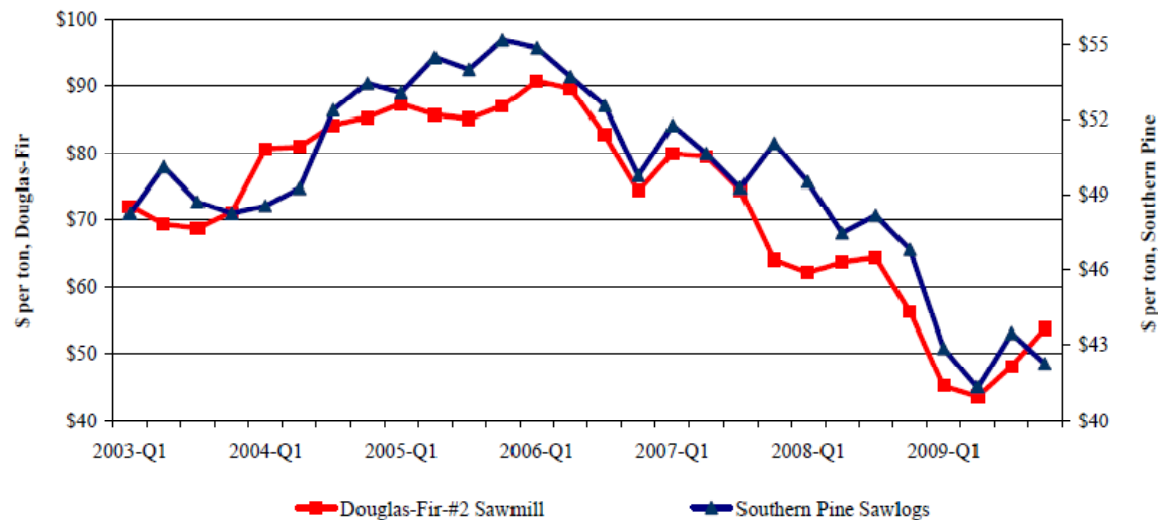


Figure D: Timber prices (2003 – 2009)



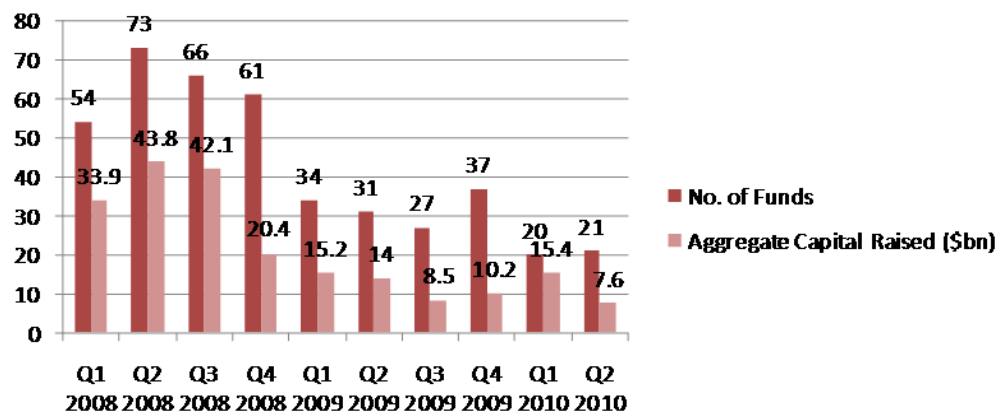
Source: Timber Mart-South, Log Lines, Oregon Department of Forestry, Pacific Rim Wood Market Report

ILAC – Performance

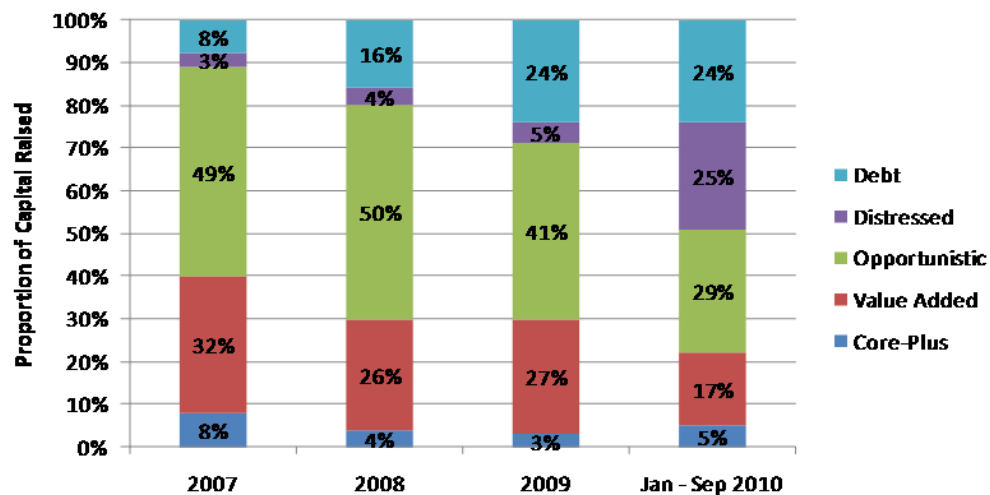
	Market Value	Qtr	1 Year	3 Year	5 Year	10 Year	Date
Inflation Linked	6.5	3.8%	6.2%	0.3%	-.-%	-.-%	9/07
<i>CPI + 400 BP ***</i>		1.1%	5.2%	5.7%	-.-%	-.-%	
<i>Value Added</i>		2.8%	1.0%	-5.5%	-.-%	-.-%	
Total Inflation Linked ex-Commodities	4.4	2.1%	5.4%	3.4%	-.-%	-.-%	9/07
<i>CPI + 400 BP ***</i>		1.1%	5.2%	5.7%	-.-%	-.-%	
<i>Value Added</i>		1.0%	0.2%	-2.3%	-.-%	-.-%	
Commodities Collateral	2.0	0.1%	0.2%	0.7%	-.-%	-.-%	9/07
<i>Blended LIBOR Fed Fund Index</i>		0.1%	0.2%	1.1%	-.-%	-.-%	
<i>Value Added</i>		0.0%	0.1%	-0.3%	-.-%	-.-%	
Commodities Overlay**	0.2	8.1%	5.8%	-14.1%	-.-%	-.-%	9/07
<i>Goldman Sachs Commodity Excess Return Index</i>		8.2%	4.1%	-14.1%	-.-%	-.-%	
<i>Value Added</i>		-0.1%	1.7%	0.0%	-.-%	-.-%	
Forestland*	2.4	0.6%	3.1%	-.-%	-.-%	-.-%	12/07
<i>CPI + 500 BP ***</i>		1.3%	6.2%	-.-%	-.-%	-.-%	
<i>Value Added</i>		-0.7%	-3.1%	-.-%	-.-%	-.-%	
Inflation Linked Bonds	1.6	5.2%	7.1%	-.-%	-.-%	-.-%	3/08
<i>Barclays Inflation Linked Bonds Index</i>		5.4%	7.2%	-.-%	-.-%	-.-%	
<i>Value Added</i>		-0.2%	0.0%	-.-%	-.-%	-.-%	
Infrastructure*	0.4	-0.8%	36.6%	-.-%	-.-%	-.-%	12/07
<i>CPI + 500 BP ***</i>		1.3%	6.2%	-.-%	-.-%	-.-%	
<i>Value Added</i>		-2.1%	30.4%	-.-%	-.-%	-.-%	

Private Real Estate Fundraising

Quarterly Private Equity Real Estate Fundraising, Q1'08 - Q2'10

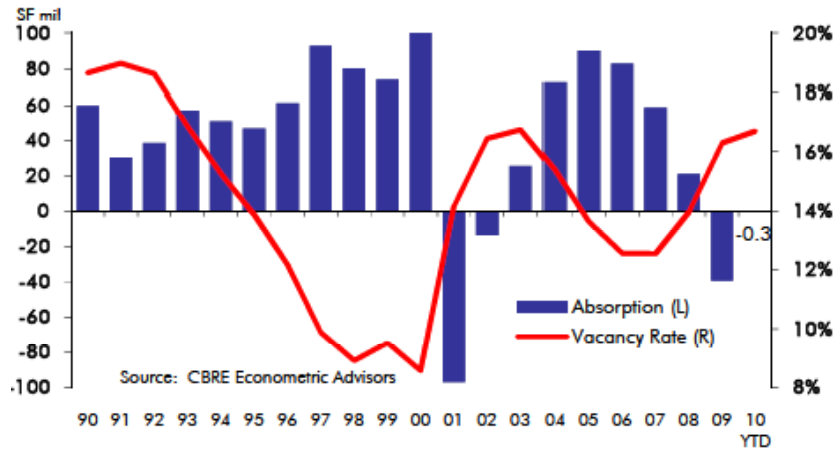


Annual Breakdown of Capital Raised by Strategy, 2007 - September 2010

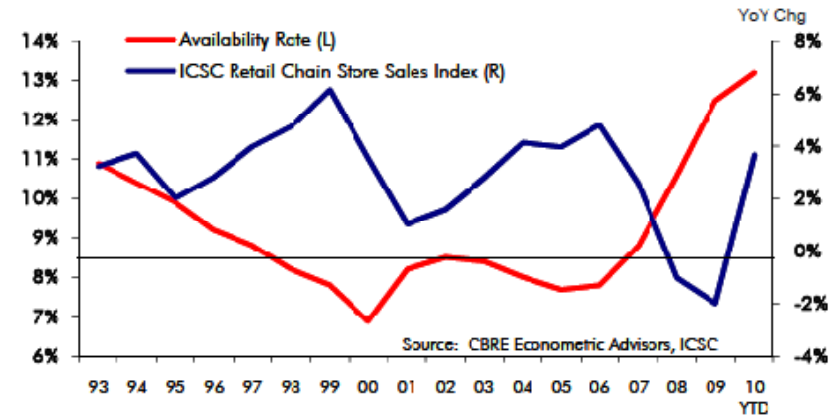


Commercial Property (as of Q2 2010)

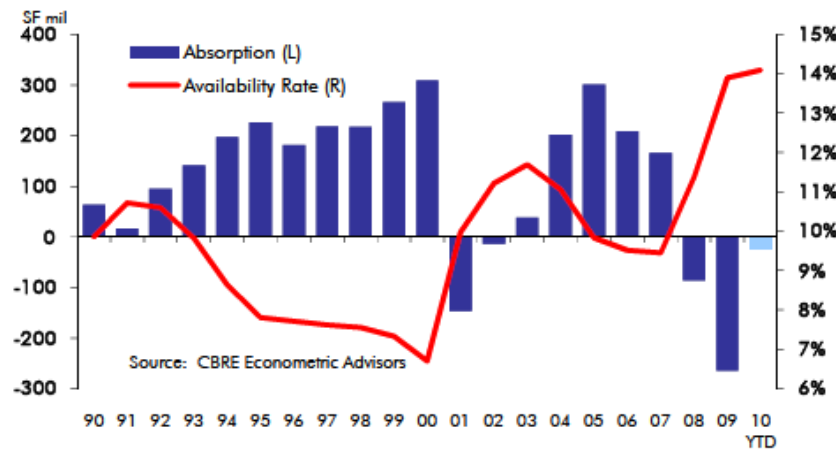
Office



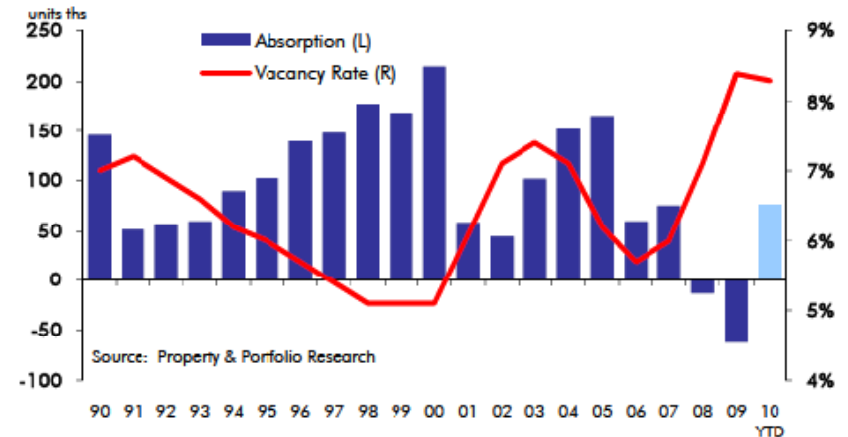
Retail



Industrial



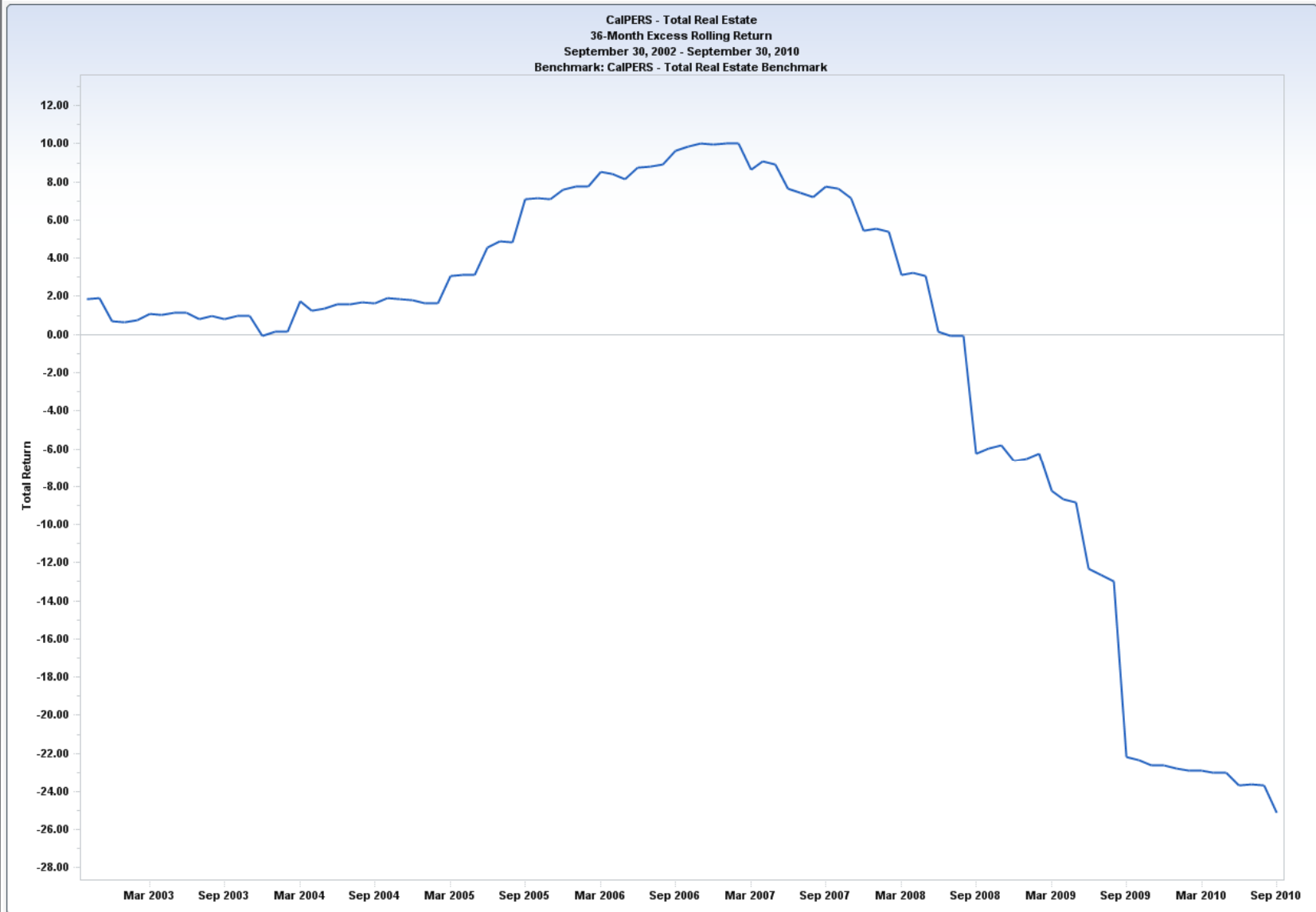
Apartment



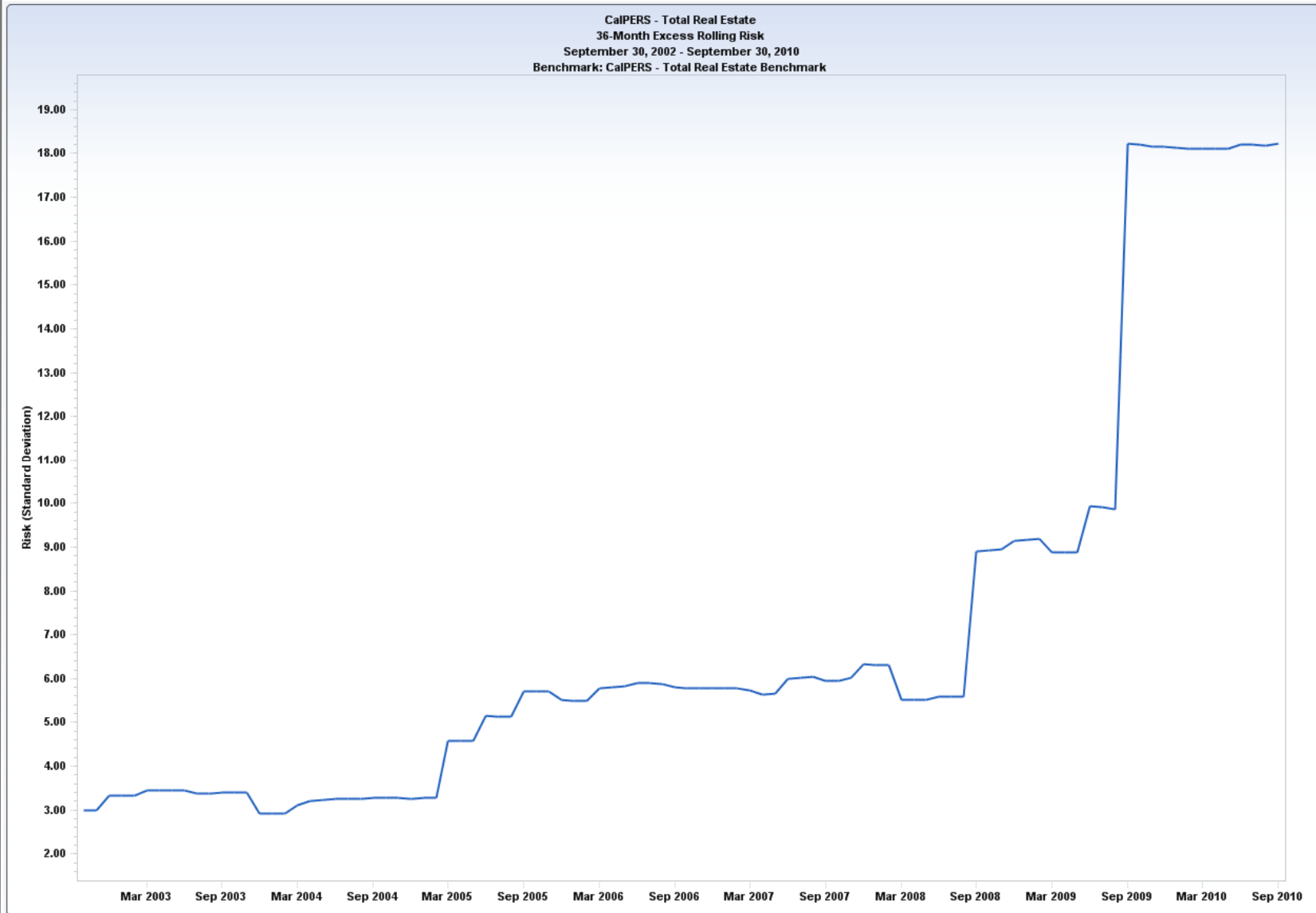
Real Estate – Performance

	<u>Market Value</u>	<u>Qtr</u>	<u>1 Year</u>	<u>3 Year</u>	<u>5 Year</u>	<u>10 Year</u>	<u>VaR⁴⁷</u>	<u>5-year Sharpe Ratio⁴⁸</u>
Total Real Estate ⁴⁵	15.3	-1.0%	-10.8%	-26.9%	-10.7%	1.8%	\$2.3 bil	-0.7
<i>Policy Index</i> ⁴⁶		5.3%	2.3%	-2.4%	5.3%	7.9%		0.3
<i>TUCS Real Estate Median</i>		5.2%	5.8%	-10.1%	0.0%	6.1%		
Core Real Estate Ex-Public REITS	6.1	0.7%	-3.2%	-21.1%	-6.3%	4.8%		
<i>NCREIF Property 1 Qtr Lagged</i>		3.3%	-1.5%	-4.7%	3.8%	7.2%		
Opportunistic	8.0	-4.5%	-18.9%	-34.2%	-16.4%	-3.5%		
<i>NPI + 400BPS</i>		4.3%	2.5%	-0.9%	7.9%	11.4%		
Public REITS	1.2	18.4%	16.6%	-11.1%	1.4%	-.-%		
<i>FTSE EPRA/NAREIT DE Index</i>		18.4%	18.4%	-9.7%	2.6%	-.-%		

Real Estate – Rolling Excess Returns

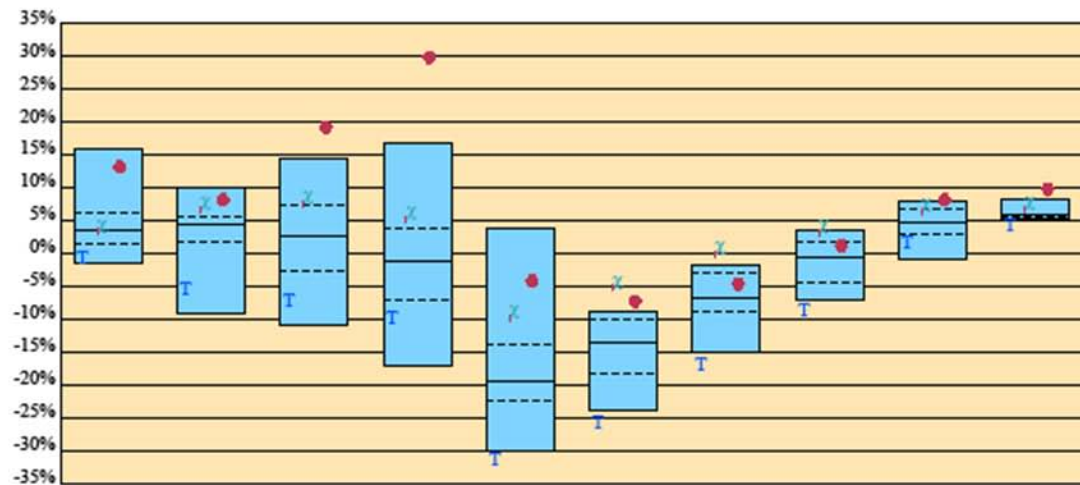


Real Estate – Rolling Tracking Error



Real Estate – Universe Comparison

California Public Employees Retirement
Real Estate Returns of Public Funds > \$10 Billion
Rates of Return for Periods Ending September 30, 2010



	1 Quarter	2 Quarters	3 Quarters	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th Percentile	15.99	10.05	14.48	16.74	3.73	-8.80	-1.93	3.51	7.84	8.18
25th Percentile	6.08	5.62	7.29	3.76	-13.89	-10.16	-2.95	1.65	6.70	8.18
Median	3.38	4.34	2.53	-1.30	-19.57	-13.52	-6.95	-0.67	4.71	5.90
75th Percentile	1.44	1.78	-2.71	-7.00	-22.46	-18.21	-8.95	-4.50	2.95	5.63
95th Percentile	-1.55	-9.09	-10.88	-17.25	-29.98	-23.89	-14.93	-6.97	-0.80	5.18
T Total Plan - Composites	-0.66 (91)	-5.42 (89)	-7.22 (84)	-9.82 (81)	-31.29 (99)	-25.74 (99)	-16.69 (99)	-8.61 (99)	1.72 (75)	4.26 (99)
X NCREIF Property Index	3.86 (41)	7.30 (20)	8.11 (15)	5.83 (5)	-9.21 (12)	-4.62 (1)	0.44 (1)	3.67 (1)	6.98 (5)	7.25 (37)
● Wilshire RESI	13.24 (5)	8.23 (20)	19.35 (1)	30.02 (1)	-4.13 (5)	-7.13 (1)	-4.49 (43)	1.32 (25)	8.22 (1)	9.97 (1)

Returns for periods greater than one year are annualized.